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HERZOG CONTRACTING CORP.

January 29, 1998

600 S. RIVERSIDE RD.
P.O. BOX 1089
ST. JOSEPH, MO 64502
PHONE (816) 233-9001
FAX (816) 233-9881

WILLIAM E. HERZOG, PRESIDENT

RECORDATION NO. 21199

FILED

FEB 3 '98

8-58 AM

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of CFR 49, Parts 1000 to 1199, Part 1177, are two originals of a Memorandum of Lease Agreement dated January 14, 1998, as a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessee: TFM, S.A. DE C.V.
AV. PERIFERICO SUR NO. 4829.
COL. PARQUES DEL PEDREGAL
C.P. 14010, DELEGACION TLALPAN, MEXICO, D.F.

Lessor: Herzog Contracting Corp.
P. O. Box 1089
St. Joseph, MO 64502

The Memorandum of Lease Agreement covers the lease of thirty-five (35) gondola railcars identified in Schedule A to the Memorandum of Lease Agreement. The railcars in Schedule A are identified by the existing reporting marks and numbers. We have also enclosed a check for \$24.00, payable to the Surface Transportation Board, for the required recording fee. Please return one stamped copy of the enclosed documents to the undersigned. If you have any questions or require additional information concerning this filing, contact the undersigned at (816) 233-9001.

Sincerely yours,
HERZOG CONTRACTING CORP.

James A. Frasher
James A. Frasher
Vice President

Jaf/sa

Encl.

FEB 3 '98

8-58 AM

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of January 14, 1998 by and between TFM, S.A. de C.V., A Mexican Corporation, (LESSEE) and HERZOG CONTRACTING CORP., a Missouri Corporation, (LESSOR), with reference to the following:

1. LESSOR has agreed to lease to LESSEE, and LESSEE has agreed to lease from LESSOR various railcars pursuant to Schedule A in the Lease Agreement Document identified as Number 138, dated January 14, 1998 between LESSOR and LESSEE.
2. Pursuant to Exhibit A., LESSOR has agreed to lease, and LESSEE has agreed to lease thirty-five (35) J301 railcars bearing the existing reporting marks and numbers as indicated on Schedule A hereto attached, as more particularly described on the Lease Agreement Document Number 138.
3. The transaction shall be effective as of the execution date of the Lease Agreement Document Number 138, subject to all terms and conditions.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement, Document Number 138, to be executed as of the date first written.

HERZOG CONTRACTING CORP.
LESSOR

BY: James A. Frasher
ITS: Vice President

TFM, S.A. DE C.V.
LESSEE

BY: [Signature]

ITS: _____

BY: [Signature]

ITS: _____

[Signature]

Schedule A

1	HZGX	3367
2	HZGX	3380
3	HZGX	3382
4	HZGX	3396
5	HZGX	3399
6	HZGX	3406
7	HZGX	3412
8	HZGX	3419
9	HZGX	3420
10	HZGX	3422
11	HZGX	3424
12	HZGX	3425
13	HZGX	3427
14	HZGX	3441
15	HZGX	3443
16	HZGX	3451
17	HZGX	3461
18	HZGX	3463
19	HZGX	3467
20	HZGX	3470
21	HZGX	3483
22	HZGX	3485
23	HZGX	3492
24	HZGX	3505
25	HZGX	3514
26	HZGX	3527
27	HZGX	3546
28	HZGX	3556
29	HZGX	3577
30	HZGX	3590
31	HZGX	3592
32	HZGX	3596
33	HZGX	3961
34	HZGX	3970
35	HZGX	3972

HH

ACCEPTED:

LESSEE HEREBY EXECUTES THIS LEASE

Date Jan 22 19 98

Date Jan 22 19 98

LESSOR HERZOG CONTRACTING CORP. LESSEE

TFM, S.A. DE C.V.

BY James A. Frasca

BY [Signature]

TITLE Vice President

TITLE _____

BY [Signature]

TITLE _____

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Initials JA HCC
Date 1-22-98

Initials _____ TFM
Date _____
Initials _____
Date _____